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## Legislation Needed by Live Stock Interest



President Roosevelt is in favor of a "square deal;" so are we, and one above the table, so that the players may know it is square.

It is important for you to realize that most congressmen and senators are so busy with private affairs of their constituents and others, as well as their own, that little time is left to devote to public measures of this sort. The people of this country have come to think that they may treat their congressmen and senators as public employment bureau and an agent for private or local measures of one kind and another, and persistently claim their attention to such an extent that little time is found in which to master these questions of public importance. The result is that they leave it to a few leaders, each, of course, relying upon his own party leaders on the respective committees. Even members of the committee rely upon the leaders of their party on the committees, so that party men on the committees follow their leaders there in passing on and reporting bills, and when these bills are reported by these committees to the house or senate, the party men support them there, as a rule, and it, therefore, results that these measures are framed and the detail worked out by a few persons. The great majority of congressmen and senators give but little attention to the details, voting when the time comes on the principle, and relying upon their leaders for the detail. Now, since the vitality and force of the law which may be enacted depends upon its exact wording and operation, and its effect is to be measured by its exact terms, you can readily see how it happens that a law is oftentimes enacted, which is intended to have a particular effect, but when the courts pass upon it it is found insufficient, for the reason that it is so worded as to destroy the beneficial purpose of it. This is exactly what happened when the Interstate Commerce act was passed in 1887. The public then believed, and the majority of congressmen who voted for it believed, that the commission was given the power to fix a proper rate of freight in lieu of one which it might find to be in violation of the law. This is ex-

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BUREAU OF HUMAN ECONOMICS,  
WASHINGTON, D. C.

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actly what will happen again if the details of the law which shall be passed are not closely scrutinized by those in favor of correct legislation and its terms made plain and to the point.

I make these observations, not in criticism of your congressmen and senators, but in order that you may call their attention to the importance of a diligent effort on the part of each of them to master the subject and see to it that a plain, simple and effective law is passed on the subject of railroad regulation, which the President has said is the most important subject of legislation before the American people.

The subjects of legislation, which the Live Stock interest most needs are:

First: Amendments to the Interstate Commerce Act regulating railroads, rates and service.

Second: An act to require railroads on reasonable notice to furnish stock cars.

Third: The extension of the twenty-eight hour limit to thirty-six hours.

Fourth: Such laws and treaties as will extend our foreign trade in live stock and its products.

While there are other subjects of appropriate legislation which will claim the attention of your organization from time to time, I will at this time only discuss these four questions.

## First

### AMENDMENTS TO THE INTERSTATE COMMERCE ACT

I have discussed various features of this subject in public addresses, in the press and before congressional committees, and duplication can not be avoided; yet each day seems to bring forth some apparently new feature, which is exhibited by the railroads as a reason for not enacting any law. Nothing new is really being brought out but old ideas in new dress. Scarcely an argument is advanced by them which was not fully exploited before the committees in congress previous to the passage of the original act in 1887, and which have been shown to be groundless. The subject has been a matter of frequent congressional investigation before the committees of congress for over four years. Fearing to stem the tide of public opinion, some railroad men have admitted the correctness of the proposition of governmental regulation, but with one or two exceptions have manifested

a marked antipathy to any such enactment. The law they want may be illustrated thus:

“Mother, may I go out to swim?  
Yes, my darling daughter;  
Hang your clothes on a hickory limb,  
But don’t go near the water.”

The announcement of President Roosevelt that the question is one of the most important before the American people is sufficient excuse for discussing it; but, in view of the fact that live stock shippers of the West are paying to-day probably three millions of dollars (\$3,000,000) more freight for an equal amount of shipment than they paid ten years ago for a less valuable service, is sufficient to particularly arrest their attention to inquire why this is so, how it came about, and whether it is just.

At the very threshold of the inquiry you are met with the contention that the rates of freight previous to the advances were too low, for, unless that can be established, the railroads are left without a leg to stand on. For this reason you witness the spectacle of a general freight agent testifying before the senate committee a few days ago that previous live stock rates were too low. He can assert it, but can he prove it? There is a wide difference between assertion and proof, particularly when the assertion is made in order to enable one to justify a policy of money getting by our great railway companies. The people have grown weary of these assertions made to justify every rate and every advance which is made in any rate. You need not be surprised when I tell you that in almost every case of contest before a commission or court the railway representatives uniformly express the opinion that the rate which is called in question is not too high, for you can well see that the men who make the rates for the money there is in it may be depended upon to contend that they are justifiable. If the railways have expected them so to do, they have not been disappointed. I am not disputing the fact that these gentlemen hold to the opinions they express, honestly; but it only shows how unsafe it is for the public to depend upon them for a standard of reasonableness.

I know of no case—I doubt if one can be found—in which a railway representative has stated before any public tribunal that his railway was making too much money or even enough. A sufficiently high standard of earnings has not been reached in their opinion (which may be perfectly honest), nor indeed has it ever been fixed, nor will it ever be reached, if that standard may be fixed only by those who reap the harvest. It is expecting too much of human nature to suppose that it should occur

to the railways that they may earn too much; rare, indeed, have been the instances when men voluntarily surrender the power to make money, and if such instances have ever existed it is so long ago that the memory of man runneth not to the contrary; and in these days when the desire to pile up millions, regardless of the method, runs mad, may you look to them for a standard of fairness and reasonableness? These reasons should impel us to demand of our representatives in congress that a just limitation be placed upon the power of the railways to sap the vitality of the producing and consuming public of this country rather than leave us to the generosity of the men who get the money.

When you find the facts to be that for years previous to 1897 the railroads of the West and Southwest were anxious to carry your cattle at rates for the most part 20 per cent. lower than they now charge, and that so profitable was the business that for years they bought it by paying rebates to get it; and when you find now that, rather than let the business go over another line on a division of a rate—from Denver, for example, to Omaha—that they voluntarily take from another road at less than half the local rate charged the shipper from Denver; and when you find that not one of them even pretends to know what it costs to perform the service, or, if he does know, will not tell it; and when you find that the total tonnage and gross earnings have doubled on most lines in less than ten years, I ask you if it is not time you were demanding a tribunal who shall effectually fix the amount you shall be charged?

And now since all this has been brought about by such unity of opinion among the railways by conferences, by combinations or agreements, where is it to end? Nearly every railway company serving you has, through some official, speaking, no doubt, for his company rather than himself, testified in the last year, before the interstate commerce commission that live stock rates are unremunerative, in face of the admission that the cost of the service was not known. If so, what must you expect if you slacken your efforts except a further advance? They affect to believe it justifiable; it goes without saying that the companies want more money; that they have the power, if unrestrained, to take it. The question is: Will the people of this country sit quietly down and submit, or will they rise up in their might and compel the senate and house of representatives to pass an adequate law regulating railways, or, failing in this, to elect those who will?

#### INFLATED VALUES A MENACE

The railways claim that the value of their properties is not limited to what it cost, or what it would cost to reproduce them;

that the value of their franchises, their established business, is an asset on which they are entitled to earn, and some courts have sustained that contention. Now, in view of the fact that the more they charge the greater will be that value, and the greater the value the more they are entitled to charge in order to earn upon such value; and, in view of the vast increase of bonded indebtedness to fasten fixed charges upon these properties, which must be paid by freight rates; and in view of the concurrence in act and deed of a few men who dominate these great properties, at what point is this to stop, and how can it be stopped unless you fix the rates and say to them: "Thus far shalt thou go, and no farther?"

#### LEGITIMATE RAILWAY EARNINGS WILL NOT BE REDUCED

Even to-day the voice of the great railway magnate is heard proclaiming that the very life of the railway business of this country is at stake; that, if the commission is given the power to fix rates, that property values will be destroyed. I deny the charge. They say I don't know anything about it, for the one sufficient reason to them that I am not a railroad man, and only represent a cattle raiser's association, that wants the railroads to haul cattle at a loss, as some of them untruly assert. I can point to the history of the railway commissions and the operations under them, and prove that the railroads' prophecies in the past have not come true. In no instance can they sustain their reputations as prophets, and I therefore ask, why should they alarm you or anyone with any repetition of such prophecies? Verily, "a prophet is not without honor, save in his own country." But they are in their own country, and, false prophets though they be, they are in no danger of being unjustly treated; the danger which they fear is the danger which the violator of law fears—the danger of being deprived of the power to levy unjust burdens upon the people. They may fear that, but nothing more, from a fair tribunal appointed by the President to do equal and exact justice. The shipper is really more apt to suffer than the railroads. It has been asserted time and again by all who desire such a law that there is no wish or intention to do other than exact justice—for why should there be?—but this assurance does not assuage their fears. The more the assurance is made the louder grows their wail. Like the Irishman who was on trial for a felony, who continually wept and sobbed before the court and jury, who, after being repeatedly assured by the court that he should have justice, finally said: "Yes, your Honor,

I am satisfied of that, but that is exactly what I don't want, and that is why I weep."

If stronger reason were needed to show the vital importance of amending the law than this, then, indeed, were congress blind, for this action of the railways is a confession of the necessity of regulation.

#### RAILROADS MAY EARN ONLY WHAT IS JUST, FAIR AND REASONABLE

The laws under which railways have accepted their franchises in theory places the limitation on what they may charge and earn, to that which is just, fair and reasonable, and when they engaged in the business that became a part of the contract binding alike on the stockholders, bondholders and all others. In this particular that sort of property is different to private property not devoted to public use. The difficulty in convincing the railroads of the right and propriety of the government determining what is just, fair and reasonable, is their unwillingness to be limited to their contract. In every department of law or government, and in contracts between private parties, where the question of what is just and fair and reasonable arises, or is in dispute, the law provides a remedy for determining it, and no one supposes that one of the interested parties shall be permitted to determine it. Yet, this is exactly what the railroads now insist on doing.

The very fact that they hold their property under that limitation of law, carries with it, necessarily, the corollary that the law shall determine by means of a legislative agency what is just, fair and reasonable. When it does so that is no deprivation of property rights merely because in such a case a given railroad, on some of its traffic, or on the whole, may not earn as much as it previously did, or as much as it desires to return the holders of its securities, or be able to pay as large salaries as it might desire to its officers, agents or employes. The public interest<sup>\*</sup> must be considered.

And the obligation to charge only what is just, fair and reasonable, can not be by them altered by issuing stocks and bonds, and then on that basis assert a legal right to base the reasonableness of their charges and fairness of their earnings upon the interest or dividends they have contracted to pay, or which they have led the holders to believe they will pay. No other line of business seriously contends for the right to make money on the basis of what it owes, and it no more exists in favor of the railroads than with anybody else. Neither is there the

slightest ground for the absurd contention which some of them make, that because their rates may be regulated by law, therefore that the government must insure them a profit by standing good for their losses. This is the grossest absurdity of them all.

#### SOME FACTS WHICH SHOW THAT RATES SHOULD BE REDUCED

I happen to have some figures which are of interest pertaining to some of the principle live stock carrying roads, and from which the conclusion may be drawn, that instead of an advance in rates being justified, the contrary is true. I give one example which fairly illustrates the case: For 1896 the A., T. & S. F. Ry. Co. carried 311,197 tons of freight one mile per mile of line, with average car loading of 10 tons, and train loading of 126 tons. In 1898 it carried 430,640 tons, one mile per mile of line, with average car loading of 11 tons, and train loading of 153 tons, earning 9.64 mills per ton per mile, 10.60 cents per car mile, and \$1.47 per train mile. In 1904 this road carried 589,216 tons one mile per mile of line, with an average car loading of 14 tons, and train loading of 249 tons, earning 9.81 mills per ton per mile, and \$2.45 per train mile.

Thus the tonnage per mile of line of 1904 shows an increase over 1898 of 36.8 per cent., and over that of 1896 of 89 per cent., with an increase in freight revenue per mile of line of 39.2 per cent. for the year 1904 over 1898.

#### THE SYSTEM'S EARNINGS SINCE JUNE 30, 1896, WERE AS FOLLOWS

For each year.

Year ending June 30.	Gross earnings from operation.	Same per mile of line.
1897.....	\$30,621,230	\$4,752
1898.....	39,214,099	5,633
1899.....	40,513,498	5,760
1900.....	46,232,078	5,760
1901.....	54,474,822	6,977
1902.....	59,135,085	7,527
1903.....	62,350,397	7,827
1904.....	68,171,200	8,334

To this should be added income from other sources, which for 1904 was \$1,248,775, bringing the total income up to \$69,419,975, from which deduct operating expenses, rentals, taxes and other charges of \$44,641,434, leaving net income of \$24,778,541.

Deducting from this the fixed charges, including interest on bonds, the net remaining was \$15,359,771. This is on a mileage of 8,119 miles. On this the interest charges paid on a bonded debt averaging \$29,175 per mile was \$1,179 per mile of line, or a little over 4 per cent., leaving \$1,873 per mile as a surplus. During that year there was expended and charged in the operating expense account under the head of maintenance of way and structures, \$1,121 per mile of line, which embraced at least \$200 per mile average expenditures for betterments, or, if not for betterments wholly, then the expenditures for that item was abnormal, as \$900 per mile is a normal and sufficient amount on the average to maintain way and structures. The maintenance of equipment account, including renewals, was also abnormally large, amounting to an average of \$1,223 per mile of road, which undoubtedly embraces large items for additions in value to the equipment. Certainly the item is abnormally large, as is indicated by the fact that the C., M. & St. P. Ry. Co.'s expenditure for maintaining of equipment for the same year amounted to \$673 per mile, carrying a very little less tonnage per mile of road, and the C. & N. W. Ry. expenditures from the same item per mile of line for 1903 was equivalent to \$656 per mile, for a little less tonnage per mile of line. It is readily observable, therefore, that the net surplus of \$1,873 per mile should be increased by the amount expended for betterments and additions, but included in operating expenses, of probably not less than \$500 per mile, equivalent to over \$4,000,000, and running the net surplus up to \$2,373 per mile average. Thus, after paying interest on bonds, dividends of 5 per cent. on preferred stock, and 4 per cent. on common stock, the surplus of the year was \$5,573,201, together with whatever betterments and additions were made and charged in operating expenses above shown. The interests and dividends were paid on a total capitalization per mile of line of approximately \$58,000, which is far beyond the legitimate cost or fair, tangible value of the property.

When you consider that there is embraced in operating expenses adequate, if not sometimes exorbitant, compensation for every expense, and to pay for every hand's turn and every thought expended in the company's operations, you can arrive at no other conclusion than that there not only does not exist any basis for advances on rates, but that they should be reduced. On an estimated valuation of \$30,000 per mile, which is a high estimate for average value, the net earnings reported, besides betterments, equal to 2 per cent., amount to 10 per cent. per annum. If the railways of the United States may earn that net, year after year, they will in fifty years absorb most of the wealth of the United States and dominate the entire business and finance of

the country. What is true of this system of road is in the main true of all the great systems in the West; it is a fair sample, and selected on that account. Now, in view of this showing, and the fact that the country is growing and traffic increasing, is it not plain that there is no danger of any commission so changing rates that a fair earning will not at all times be made? Does it not thus clearly appear that the hue and cry against regulation is born of the desire to accumulate more than a fair return rather than any fear that their earnings will be reduced below a fair return? Does such showing justify the railroads in predicting that if rates are reduced wages must be reduced? Really, that is a mere ghost story to conjure with.

#### PROFITS IN CATTLE SHIPMENTS TOO GREAT

As a whole, the railroads are making too much profit, and their rates are generally, therefore, too high. This fact needs no better proof than the assertion of all the railroads that their property will be ruined and that the widows and orphans, who receive dividends on stocks will be deprived of it if the commission be given power to fix rates. Why will this great reduction happen? The commission has always been fair and will continue to be. I will tell you: It is a confession that the rates and earnings are too high, and will be found so when brought to the test before a fair-minded tribunal—which they expect to treat as an enemy, as they always have every commission which they can't control—because it limits their money-getting to what is fair. "A guilty conscience needs no accuser." The more you study this confession the more it proves the necessity for the law. It ought not to lie in their mouths to say that they are not charging too much, and at the same time predict disaster if the government regulate the rates to what is just, fair and reasonable.

But the most material question for you is whether it is too much on your business. Let us see. A train from Denver to Omaha carrying live stock will average, approximately, 25 loads or its equivalent, so we may treat it as 25 loads of cattle, and they will average in weight paid on 25,000 pounds total earnings \$2,062.50, equal to \$4 per train mile, 16 cents per car mile, and 13 mills per ton per mile. The average earnings on the Burlington System—all freight—are, per train mile, \$2.44; per car mile, 12.87 cents, and per ton mile, 8.58 mills. It may be that if ideal conditions existed so that they could always load trains as they would like, a possible heavier train loading of dead freight than live stock could be made, but in actual practice the records show just the opposite; that is, that in the West the average of trains

carrying live stock show more loaded cars than those which do not carry live stock. The average total of operating expenses of railways equals \$1.16 per train mile, making \$593.90 from Denver to Omaha, leaving a profit of \$1,466 on the twenty-five cars to Omaha. If the shipment is taken off the D. & R. G. Ry. it is carried on from Denver at 39 per cent. of the rate, say from Rifle, which is about \$83 per car, and the earnings in such case are approximately \$820 per train. While this is an extreme case, it is nothing unusual for the roads to take live stock on a division of the rate at 50 to 55 per cent. of the amount of the local rate. We do not say that the local should be based on the division, but there must be a profit in the division voluntarily accepted, indeed solicited, and if so, the local is too high, just as in the Denver case. Our point, therefore, is that a fair tribunal shall be given the power by law to arbitrate the question, so to speak, between the shipper and the carrier. Is that asking too much; does that look destroying anybody's property? The railways are willing that it may be arbitrated, but they are unalterably opposed to the arbitrating board deciding what the charge ought to be, and insist that the railways alone are competent to do that.

#### EFFORTS OF THE RAILROADS TO PREVENT LEGISLATION

At this time the country is flooded with documents, newspaper and magazine articles, inspired by the railroad and certain "influential citizens," against railroad regulation, much of it based on the assertion that the public is losing interest in it, but principally to show that the people can better trust the railroads than a commission. The answer to this is that if the commission is given the power, which we ask, it still will remain with the people whether they apply to it or not for relief. It will also be subject to test, and if these assertions prove true, there will be little difficulty in repealing the law. For fear, however, that the people are not losing interest in the subject, a special car or train is to traverse the country distributing the literature, speeches and inspired articles, as well as to inspire other similar expressions and documents. A perfect army of railway representatives are working at this business, and all of it will be charged up, to be paid by you, as part of the operating expenses. Hence, it is very important that you rescue your congressmen and senators from this flood of influence and protect them against these persistent assaults by making your own cause the matter of his special concern.

The public can't prepare answer to all this literature; they must depend upon the intelligence and patriotism of their sena-

tors and congressmen. You, however, must not overlook the fact that you must place your cause fairly before the committees who frame these bills if you expect to get what you want.

We need not take time to here prove our case or show the extent of our grievance; we have done that before the commission, so have others in other lines; and the question, therefore, is not so much whether we are wronged, but, rather, this: Believing we are wronged, shall we not have an adequate and speedy remedy, so that when it shall be decided that we are wronged it can be at once righted? A remedy against a wrong hurts no man, except the wrongdoer.

#### AN APPEAL FOR ACTION—DO YOUR DUTY

With a strong organization—with the producing interest standing together ready and willing each to do his duty, urging all other lines of interested industry to follow your example, by making yourselves so strong as to command respect—you will succeed if you are fair and stand for a square deal. Let every man do his duty; that duty may be more than some other man's duty by reason of greater means, greater influence or greater intelligence; but let no man shirk because of a niggardly fear that he might do a little more than his neighbor, or because his neighbor does nothing. Set him a good example and bring him into the fight.

#### DEFEAT MEANS ULTIMATE VICTORY

If the railroads defeat you now do not give up; it but sows the seeds of greater discontent. They may, by means of money and undue influence, directed, perchance, by honest, though mistaken motives, prevent the passage of a proper amendment of the law; but in doing so they are but sowing the wind to reap the whirlwind; for, if they can demonstrate that they have such power over our legislative bodies it is too great a power to go unrestrained. What greater danger could the advocates of government ownership bring? Would it not be as little dangerous to trust the government in control of the railroad, as the railroads in control of the government?

Mark the prediction: This administration will enact an adequate law regulating railroads or an administration will be elected which will. I have no doubt, however, that the prediction that our wealthy senators will stand against public opinion and with the railroad in opposing such enactment, will prove unfounded as to most of them. I should hate to believe that we

have reached the period when wealth destroys patriotism and when the high position of a senator will be publicly prostituted to private ends.

## Second

### AN ACT TO REQUIRE THE FURNISHING OF CARS

One of the difficulties in service has been the failure to furnish cars, and since that is an obligation which railroads have assumed, the law should require it to be done. Most of the traffic in live stock is interstate, hence congress should regulate it. The failure to furnish cars causes great loss, which nobody gets. Many of the roads are building their own cars. A stock car is useful for many purposes other than live stock, and it will be no unreasonable burden to require that cars be furnished upon reasonable notice, with a penalty on both the railroads and shippers for the former to fail to furnish, and the latter to fail to use the same. Also, to require the connecting lines of railway to furnish in exchange for loaded stock cars going over their lines empties, upon reasonable notice. It can be worked out without any detriment to the railroads in the end and secure to you that service to which you are entitled. The law should be reasonable, and can be made so, and yet very beneficial.

## Third

### EXTENSION OF THE 28-HOUR LAW TO 36 HOURS

An effort was made to extend this time to 40 hours some three or four years ago, but it met with opposition from the humane society, and I believe from some of the Missouri river industries. I can not quite vouch for this, but heard that it was true. There exists a condition in shipments to market like this:

Many shipments of cattle passing through Denver and Colorado points and through Ft. Worth to Missouri river markets, find it convenient to unload, to try to market or to feed, or, in case of Ft. Worth, because the T. & P. Ry. will not let its cars go off its line. From either place, as a rule, the railroads take about 32 hours to reach the Missouri markets. So it is of shipments from Cheyenne and Black Hills. The same applies to shipments on to Chicago from Missouri river markets, and from the Panhandle country through Denver, to the ranges. While they should make 500 or 600 miles within the limit of 28 hours,

they are not doing it in half the cases; so they unload at some point out a few hours' run, and this extends the time for cattle and other live stock to reach the market, with consequent loss. Of course, the railroads are bound to due diligence, and they would in no sense be relieved from that duty by extending the time limit to 36 hours. It would simply mean that no penalty would attach through prosecution by the government for keeping them on the cars up to 36 hours, and would leave the railroads without the legal right to unload them sooner if the shipper demand they go on. Nor would it mean that they have the right to take the 36 hours to go any given distance. The law of duty and diligence would not be affected.

## Fourth

### EXTENDING OUR FOREIGN TRADE IN LIVE STOCK AND ITS PRODUCTS

This is a most important subject, and it comes up now at a most opportune time to do something, if the live stock producers of the country will urge it upon the government. It is certain that no sort of scheme can be devised to limit our production of live stock; it may come naturally. Indeed, we think there is a shortage now, but that always depends upon the demand. Those who purchase your live stock can not do so unless they sell the product. Whatever else may be said of the purchasers, they can't control the market or keep prices down on a continued short supply. This seems proven by repeated occurrences in trade. Therefore, if we can have a good outlet for live cattle and other live stock and the products thereof, it must be a good thing for the American producer. It may be desirable for the government to buy beef for the Philippine army in Australia because they get it cheaper than in this country; so the stockman may with equal reason say that he should buy his sugar or barbed wire in Germany because it is cheaper, but the government says, "No; we must protect home industry and buy sugar here in order that the sugar producer may have money to buy your meat." "Good," says the stockman, "and for exactly the same reason let the government furnish its army with our beef, although it may cost it more." In other words, let the protection go round in a practical way if we are to have it.

Without getting into politics, it may be asserted as a business matter that no truer words were ever spoken than by President McKinley at Buffalo—his last public utterance—when he said:



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"In these times of marvelous business, energy and gain we ought to be looking to the future, strengthening the weak places in our industrial systems, that we may be ready for any storm or strain. By sensible trade arrangements which will not interrupt our home productions, we shall find outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy nothing."

Now look at these prophetic words in the light of current events. Almost the entire continent of Europe excludes our live stock and the products of our live stock, and all because the producer of this country does not stand up for his rights of a "square deal." Prohibitive tariffs on manufactured goods, refusal to ratify reciprocity treaties, a senate apparently neglectful of the producers' interest, in order to dump millions into the pockets of manufacturers! And all this because you, the live stock producers throughout this country, were not looking ahead, as Mr. McKinley advised.

It is not within the range of my subject to discuss the beef trust; but, whatever may result from the prosecution of it, one thing is certain—the judgment of acquittal or conviction will not also fix the prices of your cattle. We must look further for that. We must take every step to keep open the channels of commerce—competition—in order that the law of supply and demand may not be repealed. To the extent the packers stifle competition they must be stopped; but, above all, let us extend our foreign trade so as to disarm them of power over prices. Let us make it to their interest to pay high prices. No more important subject confronts you to-day.

There are two things to do—secure favorable treaties and an adjustment of our tariffs—so as to permit us to buy some things from these foreign countries in order that we may sell them some meat. Let it be known that the manufacturer is not the only man to be looked after. If we can sell our meat at a good price we can buy more from him; so he is interested also in our prosperity.